

# FISCAL NOTE

**Bill #:** HB0133

**Title:** Increase school per-ANB and basic entitlement amounts

**Primary**

**Sponsor:** Rosalie “Rosie” Buzzas

**Status:** Second reading

Sponsor signature	Date	Dave Lewis, Budget Director	Date
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## Fiscal Summary

	<b><u>FY2000 Difference</u></b>	<b><u>FY2001 Difference</u></b>
<b>Expenditures:</b>		
General Fund	\$19,063,000	\$10,860,000
<b>Net Impact on General Fund Balance:</b>	<b>(\$19,063,000)</b>	<b>(\$10,860,000)</b>

<b><u>Yes</u></b>	<b><u>No</u></b>		<b><u>Yes</u></b>	<b><u>No</u></b>	
X		Significant Local Gov. Impact	X		Technical Concerns
	X	Included in the Executive Budget	X		Significant Long-Term Impacts

## Fiscal Analysis

### ASSUMPTIONS:

- Under current law, direct state aid will be \$271.768 million in FY2000 and \$267.342 million in FY2001. Special education payments will be \$32.473 million per year in FY2000 and FY2001. Guaranteed tax base aid paid to school districts will be \$116.274 million in FY2000 and \$114.298 million in FY2001.
- HB133 increases the per-ANB entitlements by 1.5% annually for elementary programs and 1% annually for high school programs and increases the basic entitlement for elementary school to \$25,000 in FY2000 and the basic entitlement for high schools by 1% each year. HB133 will not affect the state special education appropriation.

### HB133 Proposed Entitlements:

	<b><u>FY2000</u></b>	<b><u>FY2001</u></b>
Elementary basic entitlement	\$25,000	\$25,000
Elementary per-ANB entitlement	\$3,461	\$3,513
High school basic entitlement	\$202,000	\$204,020
High school per-ANB entitlement	\$4,821	\$4,869

(continued)

3. Under HB133, direct state aid will be \$275.940 million in FY2000 and \$274.776 million in FY2001. Guaranteed tax base aid paid to school districts will be \$118.165 million in FY2000 and \$117.724 million in FY2001.
4. The increased cost to the state general fund as a result of HB133 is \$6.063 million in FY2000 and \$10.860 million in FY2001.
5. HB133 appropriates \$13 million general fund in FY2000 for allocation to school districts for building maintenance, construction, reconstruction, technology acquisition, textbooks, classroom supplies, and library materials. The ANB count for FY2000 is projected to be 159,640. The per-ANB payment is estimated to be \$81.43.

FISCAL IMPACT:

	<u>FY2000</u> <u>Difference</u>	<u>FY2001</u> <u>Difference</u>
<u>Expenditures:</u>		
Local Assistance (construction, technology, etc)	13,000,000	
Local Assistance (Direct State Aid)	4,173,000	7,434,000
Local Assistance (GTB)	<u>1,890,000</u>	<u>3,426,000</u>
TOTAL	\$19,063,000	\$10,860,000

Funding:

General Fund (01)	19,063,000	10,860,000
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Net Impact to Fund Balance (Revenue minus Expenditure):

General Fund (01)	(\$19,063,000)	(\$10,860,000)
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EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

School districts will respond to HB133 in several ways. Some districts will increase district general fund spending, others will provide property tax relief, and some districts will combine the two approaches. Districts currently spending at the BASE level are required to increase spending to the increased BASE levels of this bill, which will increase tax levies in some districts.

Any increases in local property taxes necessary to support the higher budget will require voter approval in accordance with CI-75.